## TAXPAYER RELIEF ACT/Amtrak Trust Fund

SUBJECT: Taxpayer Relief Act of 1997 . . . S. 949. Roth motion to waive the Budget Act for the consideration of the language of section 702 in this bill and in any conference report in which it may be included.

## **ACTION: MOTION AGREED TO, 77-21**

SYNOPSIS: As reported, S. 949, the Taxpayer Relief Act of 1997, will provide net tax relief of \$76.8 billion over 5 years and \$238 billion over 10 years. The cost will be more than offset by the economic dividend (\$355 billion over 10 years) that will result from balancing the budget in fiscal year (FY) 2002. This bill will enact the largest tax cut since 1981 and the first tax cut since 1986. It will give cradle-to-grave tax relief to Americans: it will give a \$500-per-child tax credit, education tax relief, savings and investment tax relief, retirement tax relief, and estate tax relief. Over the first 5 years, approximately three-fourths of the benefits will go to Americans earning \$75,000 or less. It will eliminate a third of the increased tax burden imposed by the 1993 Clinton tax hike, which was the largest tax hike in history.

Section 702 will establish an intercity Passenger Rail Fund. The fund will be financed by dedicating to it amounts equal to the amounts raised by .5 cent per gallon of the excise taxes imposed on the transportation fuels after September 30, 1997, and before April 16, 2001. Funds will be distributed among the States. States with Amtrak passenger rail service will use funds for that service; other States will use funds for other intercity rail or bus services or to purchase Amtrak services.

Senator McCain raised the point of order that section 702 violated section 313(b)(1) of the Budget Act. All debate time had expired, but by unanimous consent some debate was permitted. Following debate, Senator Roth moved to waive the Budget Act for the consideration of the language of section 702 in this bill and in any conference report in which it may be included. Generally, those favoring the motion to waive favored the section; those opposing the motion to waive opposed the section.

NOTE: A three-fifths majority (60) vote is required to waive the Budget Act.

**Those favoring** the motion to waive contended:

Section 702 will not affect the amount of tax relief that this bill will provide as our colleagues claim. It is totally revenue-neutral.

(See other side) **YEAS (77)** NOT VOTING (2) NAYS (21) **Democrats Democrats** Republican Republicans **Democrats** Republicans (35 or 64%) (42 or 98%) (20 or 36%) (1 or 2%) (0)**(2)** Bennett Inhofe Akaka Kennedy Abraham Glenn Hollings-2 Jeffords Baucus Kerrey Allard Inouye-Campbell Biden Ashcroft Lott Kerry Lugar Bingaman Kohl Chafee Bond Brownback Coats Mack Boxer Landrieu Cochran McConnell Breaux Lautenberg Coverdell Collins Murkowski Bryan Leahy Craig D'Amato Nickles Bumpers Levin Frist DeWine Roberts Byrd Lieberman Gorton Domenici Cleland Roth Mikulski Gramm Enzi Santorum Conrad Moseley-Braun Grams Faircloth Smith, Gordon Daschle Moynihan Gregg Grassley Snowe Dodd Murray Kempthorne Hagel Specter Dorgan Reed Kyl McCain Hatch Stevens Reid Durbin Helms Thomas Feingold Robb Sessions Shelby EXPLANATION OF ABSENCE: Hutchinson Thurmond Feinstein Rockefeller Hutchison Ford Sarbanes Smith, Bob 1—Official Business Graham Torricelli Thompson 2—Necessarily Absent Wellstone Harkin Warner 3—Illness Johnson Wyden 4—Other SYMBOLS: AY—Announced Yea AN-Announced Nav PY-Paired Yea PN-Paired Nay

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All it will do is transfer a portion of the fuel taxes that are collected for existing transportation trust funds to a new trust fund for Amtrak. If this action is not taken, the General Accounting Office informs us that Amtrak will go bankrupt in 1998. If it goes bankrupt, all of the people who currently ride on its passenger trains will instead clog highways and airports. It would take an additional 7,500 fully booked 757's or hundreds of thousands of cars just to handle the additional traffic each year between Washington, DC, and New York. Our traffic arteries are not large enough to handle that increased traffic. Amtrak is 84-percent self-sufficient, which is better than any other passenger rail system that we know of in the world. Our colleagues do not like the fact that it is not entirely self-sufficient, but they need to ask themselves if the alternative, imposing gridlock, especially up and down the eastern seaboard, is worth the cost of ending the subsidy and allowing Amtrak to fail. Clearly it is not. The point of order against this section should be waived.

## **Those opposing** the motion to waive contended:

Section 702 will take \$2.3 billion out of the tax relief promised to the American people and will place it into a trust fund to further subsidize Amtrak. These funds will be appropriated outside of the existing budget caps, ensuring that Amtrak will not have to compete with other transportation priorities such as highways and aviation. We oppose cutting tax relief, and we oppose subsidizing rail services, so we oppose section 702.